

Q: What was the process when the city approved the purchase of the Global/Valencia Water Company?

A: The city began the process of purchasing the Global/Valencia Water Company in 2014, with the closing occurring in July of 2015. During this time, the city hosted several open house public meetings that were advertised on the city's website and social media channels.

Q: Why did we purchase Global/Valencia Water?

A: The city acquired the Global/Valencia water system for a variety of reasons.

1. The main reason was to eventually create one single system for the city, improve fire flow/protection, create redundancy and increase reliability for customers. If there's ever a water main break, the redundancy in the system reduces the chances of an interruption of service to customers since we can re-route water around the broken water line.
2. Another reason for purchasing the Global/Valencia water system was to improve water quality and address taste and odor complaints in this area. Since the city took ownership of this system, water quality has improved.

The pictures below show the difference in water quality after the city took over the Global/Valencia Water system. The photo on the right is from a water quality incident in August of 2015. The photo on the left from October 2015 is after the incident was resolved.



August 2015



October 2015

3. In addition, having one single system allows us to properly plan and prepare for required maintenance, rehabilitation, infrastructure inspections and capital projects to continue to improve water quality. It also helps position the city to continue providing uninterrupted service to existing and future customers.

4. Finally, improving our infrastructure will increase our economic development opportunities with new jobs and additional revenue coming into the city, which will lessen the tax burden to current residents.

Q: Was there a thorough inspection of the entire Global Water system before the city purchased it?

A: Unfortunately, the Global/Valencia Water infrastructure was not properly evaluated until after taking possession of the system. City personnel were not given entry into the Global sites until July 2015.

Once the city took possession, Water Resources staff began performing some flushing in the system to improve the treatment process and water quality. However, flushing the lines created additional water quality issues and was discontinued.

Q: Did we do a before and after review of the lines, wells and infrastructure that were part of the system?

A: Since city personnel were not given entry into the Global/Valencia sites until July 2015, an evaluation of the system was completed until after the city took possession.

We do believe that the Blue Hills water plant was cannibalized for parts. When we finally were able to enter this treatment facility (after July 16, 2015), we discovered that control components were removed from the control cabinet.

Q: How many more developments are part of the Global purchase; and how many of those agreements still need to be resolved?

A: Out of the 79 line extension agreements (LXAs) from Global that were part of the sale, 33 communities are completed or built out, six are currently under development, and 40 have yet to start.

Q: What is the balance on the Global loan purchase? How is this being repaid?

A: The terms of the loan were \$55 million at closing, then \$45 million calculated through a \$3,000 fee for each new service connection, up to 15,000 homes, or 20 years, whichever comes first. To date, there are approximately 13,000 homes yet to be constructed in this area, totaling \$39.2 M.